

1 DEBORAH CONNOR, Chief  
2 D. HUNTER SMITH, Trial Attorney  
3 Money Laundering and Asset Recovery Section  
Criminal Division  
4 United States Department of Justice  
1400 New York Avenue NW  
Washington, DC 20005  
5 Telephone: (202) 355-5705  
Email: David.H.Smith@usdoj.gov

6 STEPHANIE S. CHRISTENSEN  
7 Acting United States Attorney  
SCOTT M. GARRINGER  
8 Assistant United States Attorney  
Chief, Criminal Division  
9 JONATHAN GALATZAN  
Assistant United States Attorney  
10 Chief, Asset Forfeiture Section  
MAXWELL COLL (Cal. Bar No. 312651)  
11 Assistant United States Attorney  
Asset Forfeiture Section  
12 Federal Courthouse, 14<sup>th</sup> Floor  
312 North Spring Street  
13 Los Angeles, California 90012  
Telephone: (213) 894-1785  
14 Facsimile: (213) 894-0142  
E-mail: Maxwell.Coll@usdoj.gov

15 Attorneys for Plaintiff  
16 UNITED STATES OF AMERICA

17 UNITED STATES DISTRICT COURT

18 FOR THE CENTRAL DISTRICT OF CALIFORNIA

19 WESTERN DIVISION

20 UNITED STATES OF AMERICA,

NO. 2:22-cv-02902-JLS-PDx

21 Plaintiff,

**JOINT RULE 26(f) REPORT**

22 v.

Scheduling Conference

23 REAL PROPERTY IN LOS ANGELES,  
CALIFORNIA,

Date: August 26, 2022  
Time: 10:30 a.m.  
Courtroom: 8A

24 Defendant.

25 ARTYOM KHACHATRYAN,

Before Hon. Josephine L. Staton  
United States District Judge

26 Claimant.

27

28

1 GURGEN KHACHATRYAN,

2 Claimant.

3 WRH, INC.,

4 Claimant.

5 SEDRAK ARUSTAMYAN,

6 Claimant.

8  
9 Pursuant to this Court's Order entered on June 28, 2022, counsel  
10 for plaintiff United States of America and claimants Artyom  
11 Khachatryan ("Artyom"), Gurgen Khachatryan ("Gurgen"), WRH, Inc.  
12 ("WRH," and together with Artyom and Gurgen, the "Khachatryan  
13 Claimants"), and Sedrak Arustamyan ("Arustamyan") submit this Joint  
14 Rule 26(f) Report.

15 Because this case is an in rem forfeiture action arising from a  
16 federal statute, it is exempt from the initial disclosure and  
17 discovery planning requirements of Federal Rules of Civil Procedure  
18 26(a) and (f). See Fed. R. Civ. P. 26(a)(1)(B)(ii) and (f)(1).  
19 Nonetheless, the parties held a planning conference on August 4,  
20 2022, and submit this report to aid the Court in planning for  
21 discovery and other future proceedings. Given the Khachatryan  
22 Claimants' dispositive motions now pending before this Court and the  
23 discovery disputes set forth below, the Khachatryan Claimants  
24 specifically request a scheduling conference in connection with this  
25 case, which is currently set for August 26, 2022, and which the  
26 parties have filed a joint stipulation requesting this Court to reset  
27 for September 23, 2022 (Dkt. 29).

1        **A. Statement of the Case**

2        Government's Statement of the Case:

3        The government has filed an in rem civil forfeiture case against  
4 the defendant real property. In the complaint, the government  
5 alleges that the defendant real property is subject to forfeiture  
6 pursuant to 18 U.S.C. §§ 981(a)(1)(A), (B), and (C) on the grounds  
7 that it was involved in, constitutes, is derived from, and is  
8 traceable to unlawful bribes paid by Sedrak Arustamyan for the  
9 benefit of Gagik Khachatryan ("Gagik"), the former minister of  
10 finance of the Republic of Armenia, and his sons Gurgen and Artyom,  
11 and related money laundering transactions.

12        Gagik, Artyom, Gurgen, and Arustamyan have been criminally  
13 charged in the Republic of Armenia for the wire transfers involved in  
14 the purchase of the defendant property. Gurgen and Artyom own WRH,  
15 Inc., which is a corporation that asserts title to the defendant  
16 property. The Armenian criminal cases remain pending. Since the  
17 criminal charges were filed, Arustamyan, Gurgen, and Artyom have also  
18 filed civil litigation against one another in Armenian courts, which  
19 also remains pending.

20        Khachatryan Claimants' Statement of the Case:

21        On June 16, 2022, the Khachatryan Claimants filed a verified  
22 claim (Dkt. 11), in which they asserted their right to exercise their  
23 full legal rights and ownership over the defendant property in  
24 connection with the government's civil forfeiture case. On July 7,  
25 2022, the Khachatryan Claimants filed an answer to the government's  
26 complaint (Dkt. 25) and a motion for judgment on the pleadings  
27 pursuant to Federal Rule of Civil Procedure 12(c) (Dkt. 26). In  
28 their answer, the Khachatryan Claimants specifically denied the

1 government's allegations of corruption that serve as the basis of the  
2 government's forfeiture case and raised numerous affirmative  
3 defenses. Among other things, the Khachtryan Claimants deny that  
4 that certain loan payments from Arustamyan, which the Khachtryan  
5 Claimants used to help fund their purchase and development of the  
6 defendant property, were "bribes" to Gagik as the government claims.

7 In their motion for judgment on the pleadings, the Khachtryan  
8 Claimants also assert that the government's complaint is based on  
9 conclusory allegations stemming from incomplete disinformation and  
10 half-truths apparently provided by a politically motivated Armenian  
11 government. The Khachtryan Claimants argue that essential facts  
12 underlying allegations in the complaint are demonstrably false, that  
13 certain material facts that support the Khachtryan Claimants' lawful  
14 ownership of the defendant property were inexplicably missing from  
15 the complaint, that their purchase and development of the defendant  
16 property was done in a lawful and transparent manner, and as a  
17 result, the complaint fails to sufficiently allege foreign bribery,  
18 money laundering, and conspiracy, and that claimants are innocent  
19 owners of the defendant property. The Khachtryan Claimants  
20 therefore seek a speedy resolution and dismissal of the government's  
21 complaint and a removal of any further restraint on their property.

22 On July 18, 2022, the Khachtryan Claimants also filed a motion  
23 to dismiss Arustamyan's verified claim (Dkt. 19) and crossclaim (Dkt.  
24 20) for failure to state a claim and for lack of venue pursuant to  
25 Federal Rules of Civil Procedure 12(b) (6) and 12(b) (3) (Dkt. 27).  
26 The Khachtryan Claimants argue that Arustamyan's verified claim and  
27 crossclaim are procedurally flawed and fail to state a claim because  
28 Arustamyan does not have a legitimate claim to the defendant property

1 based on the plain language of the loan agreements between Arustamyan  
2 and the Khachtryan Claimants. Moreover, the Khachtryan Claimants  
3 argue that Arustamyan's claim is based on the same facts currently  
4 being litigated in at least five different lawsuits in Armenia  
5 (namely, whether the Khachtryan Claimants have paid Arustamyan in  
6 full for his loan, which the Khachtryan Claimants submit has already  
7 occurred). As a result, the Khachtryan Claimants seek dismissal of  
8 Arustamyan's claim and crossclaim so it can be litigated in Armenia,  
9 which presents a more appropriate and convenient forum for the  
10 parties.

11        Claimant Arustamyan's Statement of the Case:

12        On July 27, 2022, Arustamyan filed a verified claim in which he  
13 asserted an equitable interest and a lienholder interest in the  
14 Defendant Real Property in Los Angeles, California. On July 27,  
15 2022, Arustamyan filed a separate answer to the complaint, denying  
16 allegations in the complaint and raising numerous defenses. Further,  
17 Arustamyan filed a counterclaim against the United States to dismiss  
18 Plaintiff/Counter-Defendant from forfeiting the property at 530 South  
19 Mapleton Drive, Los Angeles, CA and for declaratory judgment.  
20 Arustamyan posits that there is no connection between the Property  
21 and the alleged and unfounded conduct giving rise to forfeiture under  
22 18 U.S.C. § 983(c). On July 27, 2022, Arustamyan also filed a  
23 crossclaim against claimants Artyom and Gurgen asserting supplemental  
24 jurisdiction pursuant to Federal Rule of Civil Procedure 13(g). Upon  
25 Arustamyan's information and belief, the Khachtryan Claimants reside  
26 in Yerevan, Republic of Armenia and filed their verified claim in  
27 that district. In his Cross-Claim against Khachtryan Claimants,  
28 Arustamyan contends that as consideration and inducement for Loan No.

1; Loan No. 2; And Loan No. 3, Borrowers, the Khachtryan Claimants,  
2 guaranteed and pledged all properties, assets and belongings, of  
3 whatever nature to and in favor of Arustamyan, as security for Loan  
4 No. 1; Loan No. 2; and Loan No. 3, including but not limited to the  
5 Veto Estate. Said consent by the Borrowers is unconditional and  
6 extends to whatever properties, assets and belongings may be  
7 available from which Arustamyan may satisfy the sums due and owing  
8 pursuant to Loan No. 1; Loan No. 2; and Loan No. 3. Arustamyan  
9 further asserted claims for unjust enrichment, a constructive trust,  
10 and a resulting trust against the Khacharyan Claimants. There are  
11 currently pending civil actions in the Armenia Courts. These  
12 proceedings may take several years. Since allegations in the Cross-  
13 Complaint arise out of a transaction or occurrence that is the  
14 subject matter of the original action, and it relates to any property  
15 that is the subject of the original action, this Court may exercise  
16 supplemental jurisdiction pursuant to Federal Rule of Civil Procedure  
17 13(g). Moreover, on or about March 24, 2022, the Republic of Armenia  
18 Bankruptcy Court granted Arustamyan's Demand and declared Claimant  
19 Gurgen Khachtryan bankrupt. The Republic of Armenia Bankruptcy Court  
20 further ordered that a lien be placed on all property belonging to  
21 Claimant Gurgen Khachtryan, excluding all properties that are  
22 exempt. Nonetheless, since there is pending criminal charges against  
23 Claimant Gurgen Khachtryan, all of his real and personal properties  
24 are subject to liens pending the resolution of the criminal charges.  
25 As such, since criminal matters take priority pursuant to the  
26 Armenian Criminal Code in the Armenian Court system, Arustamyan is  
27 unable to recover any of his investments in Loans 1, 2, and 3.

1                   *Other Claimants*

2                   The United States is aware of potential claimants whose time to  
3 file a claim under Rule G(5) has not yet expired. Unless there are  
4 further extensions (which the United States does not anticipate), all  
5 timely claims will be filed by September 6, 2022.

6                   The Khachatryan Claimants submit that they are the only  
7 legitimate claimants to the defendant property and that no other  
8 potential claimants exist.

9                   **B. Legal Issues**

10                  The principal issues in this case are whether the defendant  
11 property is subject to forfeiture based on allegations of foreign  
12 bribery, money laundering and conspiracy, whether any claimants have  
13 standing to contest the forfeiture, whether any claimants have any  
14 defenses to forfeiture, whether the government has adequately pleaded  
15 facts to support its claims, and whether Arustamyan has any valid  
16 counterclaims or crossclaims that may be asserted in these  
17 proceedings.

18                  **C. Damages**

19                  The government is not seeking damages in this case, but instead  
20 to forfeit the defendant real property.

21                  In his crossclaim against the Khachatryan Claimants, Claimant  
22 Arustamyan seeks monetary damages totaling \$42,244,000.

23                  **D. Insurance**

24                  There is no known insurance coverage that may be available to  
25 satisfy a judgment in this case.

1                   **E. Motions**

2                   The Khachatryan Claimants have filed a motion for judgment on  
3 the pleadings under Federal Rule of Civil Procedure 12(c) (Dkt. 26),  
4 which is set for an October 28, 2022 hearing.

5                   The Khachatryan Claimants also have filed a motion to dismiss  
6 Arustamyan's crossclaim under Federal Rules of Civil Procedure  
7 12(b) (3) and 12(b) (6) (Dkt. 27), which is also set for an October 28,  
8 2022 hearing.

9                   The government anticipates filing a motion to dismiss the  
10 counterclaim filed by Arustamyan.

11                  The government has not yet determined whether it will file a  
12 motion to strike any claims or answers under Supplemental Rule  
13 G(8) (c) on the grounds that a claimant lacks standing. The  
14 government has served special interrogatories under Supplemental Rule  
15 G(6) on the Khachatryan Claimants to assess their standing. The  
16 government notes that under the Supplemental Rules, "the government  
17 need not respond to a claimant's motion to dismiss the action . . .  
18 until 21 days after the claimant has answered these interrogatories,"  
19 Rule G(6) (c), and also that any motion to strike by the government  
20 "must be decided before any motion by the claimant to dismiss the  
21 action," Rule G(8) (c) (ii).

22                  The Khachatryan Claimants contend that their standing as a valid  
23 claimant should not be in dispute given their transparent ownership  
24 interest in the defendant property, as set forth in the complaint.  
25 Notwithstanding the nature of their verified claim, the Khachatryan  
26 Claimants note that they intend to respond to certain special  
27 interrogatories that are within the scope of Supplemental Rule G by  
28 September 9, 2022 (a date that has been agreed upon by the parties),

1 which is before the government's response to the Khachatryan  
2 Claimant's motion for judgment on the pleadings is due to be filed in  
3 this case. The Khachatryan Claimants contend that certain  
4 interrogatories are outside the scope of Rule G and the parties have  
5 agreed to meet-and-confer to discuss the issue to see if it can be  
6 resolved without requiring the need for court involvement.

7 **F. Complexity**

8 The government believes that utilization of certain portions of  
9 the Manual for Complex Litigation may be appropriate, including its  
10 sections on discovery in foreign countries. The case involves, or  
11 will involve, multiple parties, parallel civil and criminal cases in  
12 Armenia, and witnesses and documents in Armenia and other foreign  
13 countries. In addition, there is an open United States criminal  
14 investigation related to this case.

15 The Khachatryan Claimants and Arustamyan do not believe this  
16 case is sufficiently complex to warrant a complex case designation  
17 that could prolong the resolution of this case. Among other things,  
18 the key legal issue to be resolved in this case is whether any  
19 payments by Arustamyan were "bribes" that would support the  
20 government's forfeiture case; the government claims that they were  
21 bribes, whereas the Khachatryan Claimants and Arustamyan submit the  
22 payments were loans. The claimants do not anticipate voluminous  
23 documentary materials that would unexpectedly prolong discovery or  
24 review of the relevant materials. Moreover, unlike most cases  
25 involving foreign evidence, the current Armenian administration  
26 initiated the government's interest in this case and should be  
27 expected to cooperate fully with the government's lawsuit and ongoing  
28 criminal investigation. As a result, the underlying cause of delays

1 typically associated with foreign jurisdictions and evidence are not  
2 present here. Further, as set forth in their answer and motion for  
3 judgment on the pleadings, the Khachatryan Claimants have long-  
4 expressed their desire to cooperate and provide information in  
5 connection with the government's investigation, and there is no  
6 expectation of any invocation of a party's Fifth Amendment rights  
7 that could lead to complicated litigation or delays. Given the  
8 government's movement to file a complaint and the draconian nature of  
9 this civil action to forfeit defendant's property that is valued at  
10 \$53.5 million, the government should be prepared by now to prove its  
11 case in court. The Khachatryan Claimants are prepared to proceed to  
12 defend their case and proceed to trial with normal discovery rules  
13 and the Khachatryan Claimants submit that no complex case designation  
14 is warranted here.

15        **G. Status of Discovery**

16        Under Federal Rule of Civil Procedure 26(a)(1)(B), this case is  
17 exempt from initial disclosures. As noted above, the government has  
18 propounded special interrogatories on the Khachatryan Claimants. See  
19 Supplemental Rule G(6).

20        On July 29, 2022, the Khachatryan Claimants served their first  
21 set of requests for production upon the government.

22        Claimant Arustamyan has not served any discovery requests;  
23 however, Arustamyan intends to serve his first set of requests for  
24 production of documents and special interrogatories to Khachatryan  
25 Claimants by September 1, 2022, to adequately prepare for his  
26 opposition to the Khachatryan Claimants Motion to Dismiss  
27 Arustamyan's verified claim; and crossclaim for failure to state a  
28 claim, and for lack of venue pursuant to Federal Rules of Civil

1 Procedure 12(b) (6) and 12(b) (3). The Khachatryan Claimants argue  
2 that they have paid Arustamyan in full for his loans. As such,  
3 Arustamyan seeks to conduct a limited discovery to adequately prepare  
4 for his opposition to Khachatryan Claimants' Motion to Dimssiss  
5 Arustamyan's verified claim and crossclaim. As mentioned herein,  
6 there are currently pending civil actions in the Armenian Courts and  
7 the-proceedings may take several years before they are resolved.  
8 Based on the foregoing facts, this Court in the United States may  
9 exercise supplemental jurisdiction pursuant to Federal Rule of Civil  
10 Procedure 13(g). Furthermore, during the August 4, 2022 meet and  
11 confer conference, Counsel for the Khachatryan Claimants mentioned  
12 that both Claimants and witnesses can accommodate the Plaintiff in  
13 this action and arrive in the Unitited States as needed for  
14 depositon(s) and/or trial. As a result, the Khachatryan Claimants'  
15 argument for dismissal of Arustamyan's claim and crossclaim based on  
16 forum of non-conveniens is moot.

17 *The Government's Position on Discovery:*

18 The government believes that merits discovery is not appropriate  
19 at this time for several reasons.

20 First, the Khachatryan Claimants have filed a motion for  
21 judgment on the pleadings, which takes the position that the case can  
22 be dismissed without incurring the cost and disruption of discovery.

23 Second, there is a related criminal investigation in the United  
24 States and criminal prosecutions in Armenia. The government intends  
25 to move for a stay of discovery under Title 18 U.S.C. § 981(g), which  
26 provides that "[u]pon the motion of the United States, the court  
27 shall stay the civil forfeiture proceeding if the court determines  
28 that civil discovery will adversely affect the ability of the

1 Government to conduct a related criminal investigation or the  
2 prosecution of a related criminal case." The government proposes to  
3 file any such motion to stay discovery by September 20, 2022.

4 Third, it remains possible that additional claimants will file  
5 timely claims by September 6, 2022. Proceeding with discovery, and  
6 discovery planning, now would exclude such claimants from both  
7 discovery and discovery planning.

8 Fourth, the government has not yet received responses to special  
9 interrogatories, which may allow it to challenge the standing of some  
10 or all claimants by a motion to strike. See United States v.  
11 \$20,193.39 U.S. Currency, 16 F.3d 344, 346 (9th Cir. 1994) (noting  
12 that standing is a "threshold issue" in forfeiture cases); United  
13 States v. \$295,726.42 in Acct. Funds Seized, 279 F. Supp. 3d 1050,  
14 1053 (C.D. Cal. 2018) (same). If the government successfully  
15 challenges the standing of some or all the claimants, merits  
16 discovery may involve fewer claims and parties.

17 In the meantime, the government does not object to either (1)  
18 proceeding on the Khachatryan Claimants' motion for judgment on the  
19 pleadings provided that Claimants first respond to the special  
20 interrogatories propounded on them by the government or (2) staying  
21 both the responses to the special interrogatories and the motion for  
22 judgment on the pleadings.<sup>1</sup>

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25 <sup>1</sup> As noted above, "the government need not respond to a claimant's  
26 motion to dismiss the action . . . until 21 days after the claimant  
27 has answered [special] interrogatories." Rule G(6)(c). Though  
28 claimants have styled their motion as for judgment on their pleadings  
under Rule 12(c), they state in the motion that their motion is  
"functionally identical to a Rule 12(b)(6) motion." Dkt. 26-1 at 12  
(quotation marks omitted).

1       Though the government does not believe merits discovery is  
2 appropriate at this time, the government recognizes that the Court  
3 has in its Order of June 28, 2022, directed the parties to propose  
4 pretrial and trial dates. Therefore, in the alternative, the  
5 government proposes the pretrial and trial dates set forth in Exhibit  
6 A, with the caveat that they may require revision, if discovery is  
7 stayed or other claimants appear. The government's proposed schedule  
8 deviates from the presumptive deadlines to reflect the additional  
9 time that the government anticipates will be required to prepare a  
10 case that will involve discovery in foreign countries, may require  
11 the use of letters rogatory and the Hague Convention, will involve  
12 non-English-speaking witnesses (including possibly expert witnesses),  
13 including witnesses outside the United States, involves Armenian tax  
14 and criminal law, and in which there are pending foreign civil and  
15 criminal cases involving related issues.

16       *The Khachatryan Claimants' Position on Discovery:*

17       As noted above, the Khachatryan Claimants filed their answer to  
18 the government's complaint on July 7, 2022. The pleadings in the  
19 government's case against the Khachatryan Claimants therefore is  
20 closed, and the matter has been in merits discovery since July 7,  
21 2022. The Khachatryan Claimants served their first set of discovery  
22 requests upon the government on July 29, 2022, and the government's  
23 deadline to respond is August 29, 2022.

24       As noted above, the Khachatryan Claimants intend to respond to  
25 the special interrogatories that are properly confined to the scope  
26 of Supplemental Rule G by September 9, 2022 (a date agreed-upon by  
27 the parties). This response will be provided well before the  
28 government's response to the pending Rule 12(c) motion for judgment

1 on the pleadings is due. The Khachtryan Claimants note that over  
2 half of the 90 special interrogatories appear to seek normal  
3 discovery and are beyond the scope of Supplemental Rule G since they  
4 do not bear upon the identify of the Khachtryan Claimants or their  
5 relationship to the defendant property. Moreover, the government  
6 cannot plausibly contest the Khachtryan Claimants' standing here  
7 since the complaint includes numerous allegations concerning their  
8 purchase and ownership of the defendant property and identifies the  
9 names of the Khachtryan Claimants on relevant documents and  
10 transactions.

11 The Khachtryan Claimants intend to oppose the government's  
12 motion to stay discovery, and they will set forth their opposition in  
13 detailed briefing for this Court's consideration. In the meantime,  
14 however, the Khachtryan Claimants submit that civil forfeiture is an  
15 especially aggressive constraint on the Khachtryan Claimants' \$53.5  
16 million property, especially given the barebones and conclusory  
17 allegations in support of the complaint and the lawful and  
18 transparent nature of the Khachtryan's purchase and development of  
19 the defendant property, as set forth in the pending motion for  
20 judgment on the pleadings. Moreover, the government's investigation  
21 was initiated at least as early as 2019 after it appears to have been  
22 referred to the United States by a politically motivated Armenian  
23 government. The Khachtryan Claimants also have good reason to  
24 believe that "the government's investigation is [now] complete," and  
25 the the government should not be able to indefinitely restrain the  
26 defendant property with a stay of the proceedings, and under the  
27 unique circumstances of this case, a stay in this case would not  
28 justified.

1       Unlike discovery in the government's case, the Khachatryan  
2 Claimants have not yet filed an answer to Arustamyan's crossclaim and  
3 their motion to dismiss under Federal Rules of Civil Procedure  
4 12(b) (3) and 12(b) (6) is pending. As such, discovery is not yet open  
5 and the parties should not be burdened with serving or responding to  
6 discovery requests in connection with the crossclaim at this time.  
7 Moreover, the Khachatryan Claimants' motion to dismiss Arustamyan's  
8 crossclaim is based on the facial inadequacy of the crossclaim  
9 itself, and therefore, even limited discovery is not justified.

10       Claimant Arustamyan's Position on Discovery:

11       Claimant Arustamyan has not served any discovery requests thus far.  
12 However, Arustamyan intends to serve his first set of requests for  
13 production of documents and special interrogatories to Khachatryan  
14 Claimants by September 1, 2022 to adequately prepare for his  
15 opposition to the Khachatryan Claimants Motion to Dismiss  
16 Arustamyan's verified claim and crossclaim for failure to state a  
17 claim and for lack of venue pursuant to Federal Rules of Civil  
18 Procedure 12(b) (6) and 12(b) (3). The Khachatryan Claimants argue that  
19 they paid Arustamyan in full for his loans. As such, Arustamyan  
20 seeks to conduct limited discovery regarding this issue and other  
21 related issues to adequately prepare for his opposition to  
22 Khachatryan Claimants' Motion to Dismiss.

23       **H. Discovery Plan**

24       The parties submit the following concerning the following  
25 matters listed in Fed. R. Civ. P. 26(f) (3):

26       Fed. R. Civ. P. 26(f) (3) (A): The parties agree that initial  
27 disclosures are not required in this in rem action.

1 Fed. R. Civ. P. 26(f)(3)(B): Discovery will be needed, among  
2 other things, on the nature and circumstances underlying the factual  
3 allegations in the relevant pleadings (including the complaint and  
4 verified answer of any valid claimant). The parties submit their  
5 respective timelines for the completion of discovery below. The  
6 parties do not believe that discovery should be completed in phases  
7 or focused on particular issues.

8 The government believes that discovery may be needed, among  
9 other things, on the transaction under which Arustamyan provided  
10 funds for the purchase of the defendant real property (including  
11 whether the funds were loans or bribes under Armenian law), the  
12 source of the funds that Arustamyan provided under the alleged loans,  
13 the circumstances under which the alleged loans were extended,  
14 whether the alleged loans were repaid, Arustamyan's business holdings  
15 and affiliations, whether businesses affiliated with Arustamyan  
16 received favorable tax treatment in Armenia, and Gagik's  
17 responsibilities in administering Armenian tax law.

18 Fed. R. Civ. P. 26(f)(3)(C): The parties have agreed to preserve  
19 electronically stored information and to produce emails and other  
20 electronically stored information in native format.

21 Fed. R. Civ. P. 26(f)(3)(D): Notwithstanding the government's  
22 claim that there is an ongoing criminal investigation, the  
23 Khachatryan Claimants and Arustamyan do not intend to assert their  
24 Fifth Amendment right against self-incrimination in connection with  
25 this matter. As discovery unfolds, the parties may seek relief in  
26 accordance with this Rule in connection with other privilege issues.

27 Fed. R. Civ. P. 26(f)(3)(E): At present, the parties do not  
28 believe changes to the limitations on discovery are necessary.

1 Fed. R. Civ. P. 26(f) (3) (F): If discovery is not stayed, a  
2 protective order will likely be required. The parties agree to  
3 negotiate the appropriate terms of the protective order.

4 **I. Expert Discovery**

5 As noted above, the government believes that it is premature to  
6 set a schedule for discovery, including expert discovery. In the  
7 alternative, however, the government proposes the following dates  
8 related to expert discovery:

9 **Initial disclosures: October 6, 2023**

10 **Rebuttal disclosures: November 9, 2023**

11 **Expert discovery cut-off: December 8, 2023**

12 As noted above, the Khachatryan Claimants intend to oppose the  
13 government's motion to stay discovery and submit the following  
14 proposed timing for expert disclosures and discovery:

15 **Initial disclosures: December 5, 2022**

16 **Rebuttal disclosures: January 9, 2023**

17 **Expert discovery cut-off: June 2, 2023**

18 Claimant Sedrak Arustamyan intends to oppose the government's  
19 motion to stay discovery and submits the following proposed timing  
20 for expert disclosure and discovery:

21 **Initial disclosures: December 5, 2022**

22 **Rebuttal disclosures: January 9, 2023**

23 **Expert discovery cut-off: June 2, 2023**

24 **J. Dispositive Motions**

25 As noted above, the Khachatryan Claimants have filed dispositive  
26 motions under Rule 12 against (1) the government's complaint and (2)  
27 Arustamyan's crossclaim. In addition, the government intends to move  
28 to dismiss Arustamyan's counterclaim.

1       If those motions are denied, the parties anticipate filing  
2 motions for summary judgment addressing whether the defendant  
3 property is subject to forfeiture, whether claimants have any  
4 defenses to forfeiture, and whether claimant Arustamyan has any valid  
5 counter or crossclaims. The government also may file dispositive  
6 motions with respect to the standing of particular claimants to  
7 contest forfeiture.

8       **K. Alternative Dispute Resolution (ADR)**

9       The parties have received a Notice to Parties of Court-Directed  
10 ADR Program (Form ADR-08) and the parties have consented to Court  
11 Mediation Panel.

12       **L. Settlement Efforts**

13       The parties have not yet discussed settlement or had written  
14 communications regarding settlement.

15       **M. Trial Estimate**

16       The parties estimate that the trial of this matter will take 10  
17 to 15 court days.

18       Jury or Court Trial: The Khachatryan Claimants have requested a  
19 jury trial. Arustamyan has requested a jury trial.

20       Number of Witnesses: The government anticipates calling  
21 approximately 15 witnesses. The Khachatryan Claimants anticipate  
22 identifying relevant witnesses as discovery unfolds, but at this time  
23 estimate calling between 10 to 15 witnesses at trial. Arustamyan  
24 anticipates identifying relevant witnesses as discovery unfolds, but  
25 at this time Arustamyan estimates calling between 5 to 10 witnesses  
26 at trial.

1       **N. Trial Counsel**

2       Trial Attorney D. Hunter Smith and Assistant United States  
3       Attorney Maxwell Coll will try this case on behalf of the government.  
4       Ephraim Wernick, Christopher W. James, and Peter T. Thomas will try  
5       this case on behalf of the Khachatryan Claimants. Alenoush C.  
6       Sarkissian, Armen Shaghzo, and Naira Zohrabyan will try this case on  
7       behalf of claimant Arustamyan. It is not known whether there will be  
8       additional timely claimants or the identity of their trial counsel.

9       **O. Magistrate Judge**

10      The parties do not consent to a magistrate judge for trial.

11      **P. Independent Expert or Master**

12      The parties do not believe that the Court should consider  
13      appointment of a special master or an independent expert in this  
14      case.

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## Q. Other Issues

The parties anticipate that Armenian translation services may be needed and that certain foreign-language documents may require authentication and certification. Foreign discovery may also be required.

Dated: August 12, 2022

Respectfully submitted,

STEPHANIE S. CHRISTENSEN  
Acting United States Attorney  
SCOTT M. GARRANGER  
Assistant United States Attorney  
Chief, Criminal Division  
JONATHAN GALATZAN  
Assistant United States Attorney  
Chief, Asset Forfeiture Section

/s/ Maxwell Coll  
MAXWELL COLL

Assistant United States Attorneys  
Asset Forfeiture Section

Attorneys for Plaintiff  
UNITED STATES OF AMERICA

Dated: August 12, 2022

*/s/ Ephriam Wernick*  
(per email authorization on 8/12/22)  
EPHRAIM WERNICK  
Vinson & Elkins LLP  
Attorney for Claimants Artyom  
Khachatryan, Gurgen Khachatryan,  
and WRH, Inc.

Dated: August 12, 2022

/s/ Alenoush Sarkissian  
(per email authorization on 8/12/22)  
ALENOUSH C. SARKISSIAN  
Shaghzo and Shaghzo Law Firm LP  
Attorney for Claimant Sedrak Arustamyan

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**EXHIBIT A**  
**PROPOSED SCHEDULE OF PRETRIAL AND TRIAL DATES**

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3 CASE NAME: United States of America v. Real Property in Los Angeles, California  
 4 CASE NO: 2:22-cv-02902-JLS-PD

<u>Matter</u>	<u>Plaintiff's Request</u>	<u>Khachatryan Claimants' Request</u>	<u>Arustamyan's Request</u>
Last Day to File Motions to Add Parties and Amend Pleadings	<u>07/21/2023</u>	<u>11/18/2022</u>	<u>11/18/2022</u>
Fact Discovery Cut-Off	<u>07/26/2024</u>	<u>03/24/2023</u>	<u>03/24/2023</u>
Last Day to Serve Initial Expert Reports	<u>11/08/2024</u>	<u>04/07/2023</u>	<u>04/07/2023</u>
Last Day to Serve Rebuttal Expert Reports	<u>01/10/2025</u>	<u>05/05/2023</u>	<u>05/05/2023</u>
Expert Discovery Cut-Off	<u>03/14/2025</u>	<u>06/02/2023</u>	<u>06/02/2023</u>
Last Day to File Motions (except Daubert and all other Motions in Limine)	<u>04/18/2025</u>	<u>05/19/2023</u>	<u>05/19/2023</u>
Last Day to Conduct Settlement Proceedings	<u>05/16/2025</u>	<u>05/26/2023</u>	<u>05/26/2023</u>
Last Day to File Motions in Limine and Daubert Motions	<u>06/20/2025</u>	<u>08/04/2023</u>	<u>08/04/2023</u>
Final Pre-Trial Conference <b>(Friday at 1:30 pm)</b>	<u>07/18/2025</u>	<u>09/08/2023</u>	<u>09/08/2023</u>